

## **Program H: Washington-St. Tammany Regional Medical Center**

Program Authorization: Act 210 of 1948 and Act 3 of 1997

### **PROGRAM DESCRIPTION**

The mission of the Washington-St. Tammany Regional Medical Center is:

1. To provide access to high quality medical care to residents of Louisiana, regardless of income or insurance coverage, and at a level of care appropriate to their medical needs.
2. To maintain facility environments conducive to quality, accredited residency and other health education programs and work cooperatively with Louisiana medical schools and other health education institutions to afford the maximum opportunity for clinical training in the hospitals.
3. To minimize the cost to the State of providing health care to the uninsured by operating its hospitals efficiently, cost effectively, and in accordance with the standards of the hospital industry, and by maintaining a base of patients with third party support, particularly Medicaid.
4. To work cooperatively with other health care programs, providers and groups at the state and community levels in order to maximize the health care resources available to all the citizens of Louisiana.

The goals of Washington-St. Tammany Regional Medical Center are:

1. Prevention: Health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: Integrated health delivery network with internal and external community partners.
3. Performance: Improved management information systems and fiscal accountability.

Washington-St. Tammany Regional Medical Center in Bogalusa, La., which opened in 1951, is an acute care facility providing quality medical care for the population of Washington and St. Tammany parishes. The facility provides acute and primary general medical and specialty services and critical care to the indigent, uninsured, Medicare, and Medicaid patients of the hospital's service area. The hospital provides additional support functions such as pharmacy, blood bank, respiratory therapy, anesthesiology, and various diagnostic services and other support functions of a non-medical nature, such as administration, maintenance, housekeeping, mail service, purchasing, accounting, and admissions and registration. The facility also maintains a stipend program for medical residents and contracts for physician and anatomical services and works cooperatively with medical schools and other health education institutions to broaden the opportunity for clinical training in the hospital. The hospital is currently staffed for 50 beds.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To continue to provide professional, quality, acute general medical and specialty services to patients in the hospital and maintain the average length of stay of 5.6 days for patients admitted to the hospital.

Strategic Link: This objective reflects the movement toward the achievement of the 1998-2002 Health Care Services Division (HCSD) Strategic Plan Goal 1: *Implement initiatives to improve effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

Children's Cabinet Link: Washington St. Tammany Regional Medical Center provides multiple services targeted at the pediatric and adolescent population. Programs, clinics, and services include a KidMed Clinic, Asthma and Diabetes Disease Management Programs, and Reach Out & Read Children's Literacy Program. The preceding list may not be all inclusive.

Explanatory Note: Washington St. Tammany Regional Medical Center is classified, for comparative purposes, as a non-teaching facility. However, the facility does participate in clinical rotations for nursing students.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Number of staffed beds <sup>1</sup>	51 <sup>2</sup>	50 <sup>3</sup>	54	35	35	33 <sup>13</sup>
K	Average daily census <sup>4</sup>	Not applicable <sup>5</sup>	25	28	28	25	22 <sup>13</sup>
K	Emergency department visits	25,868 <sup>2</sup>	21,296	21,540	21,540	21,296	18,901 <sup>13</sup>
S	Total outpatient encounters <sup>6</sup>	49,173 <sup>2</sup>	55,300	61,330	61,330	55,300	49,082 <sup>13</sup>
K	Percentage of gross revenue that is outpatient revenue (current year)	Not applicable <sup>5</sup>	51.90%	49.48%	49.48%	51.90%	55.70% <sup>13</sup>
S	Number of staff per patient	Not applicable <sup>5</sup>	8.6	5.6	5.6	8.6	4.4 <sup>13</sup>
S	Average length of stay for inpatients	4.9	5.4	5.5	5.5	5.4	5.4
K	Cost per adjusted discharge <sup>7</sup>	\$4,233	\$4,361	\$4,465	\$4,465	\$4,361	\$3,627 <sup>13</sup>
K	Readmission rate <sup>8</sup>	Not applicable <sup>5</sup>	10.50%	7%	7%	10.5% <sup>9</sup>	10.5%
S	Patient satisfaction survey rating	not applicable <sup>5</sup>	88.4%	Not applicable <sup>10</sup>	76%	85% <sup>11</sup>	85%
K	JCAHO/HCFA accreditation	99%	94%	100% <sup>12</sup>	100%	100%	100%
K	Salaries and benefits as a percent of total operating expenses <sup>7</sup>	58.77%	58.85%	58.87%	58.87%	58.85%	58.85%
S	Percentage change in gross outpatient revenue as a percent of total revenue	Not applicable <sup>5</sup>	-0.07%	-1.88%	-1.88%	-0.07%	3.73% <sup>13</sup>

<sup>1</sup> Staffed beds are defined as all adult, pediatric, neonatal intensive care unit, intensive care unit, and psychiatric beds set up and in-service for inpatients on a routine basis. Furthermore, staffed beds do not include newborn bassinets.

<sup>2</sup> HCSD had earlier planned to absorb the FY 2000 \$40 million budget shortfall entirely in inpatient days. The impact of such a course of action would have been a wholesale reduction in the number of staffed beds, reducing inpatient days, reducing clinic visits and increasing emergency department visits, because of loss of staff. Performance standards shown in the Executive Budget were adjusted in anticipation of this course of action. Since the standards adjustment occurred, HCSD offset \$7 million of the losses with efficiencies and gave the medical centers the responsibility for developing contingency plans to allow them to decide how the cuts might best be made. As a result, the performance standards must be re-adjusted because inpatient days, outpatient encounters, and available (staffed) beds are set much too low, given the current situation and will either be impossible to meet or very easy.

<sup>3</sup> This performance indicator was previously reported as “number of available beds.” For future reporting years, this performance indicator will be reported as “number of staffed beds.” This calculation reflects the number of beds that are set up, staffed, and ready for use.

<sup>4</sup> In order for average daily census to be meaningful, it must be understood in context. Actual daily census can be at or over 100% of staffed beds on some high-demand days, and additional beds (over the average daily census) have traditionally been kept available by all hospitals to deal with unanticipated demand.

<sup>5</sup> This performance indicator did not appear under Act 10 of 1999 and therefore has no performance standard for FY 1999-2000.

<sup>6</sup> Total outpatient encounters for FY 1999-2000 was reported as a key performance indicator.

<sup>7</sup> There is great diversity in the level and volume of service provided at medical centers. There is a cost differential inherent in the proportion of primary (non-emergent outpatient care) and secondary services (inpatient services) provided by a hospital. Tertiary services, such as the advanced trauma services provided at MCLNO, add another level of costs that need to be factored in the comparison. Furthermore, six of the nine hospitals under HCSD operation are providing a hospital based medical education, which must also be considered when comparisons for cost per adjusted discharge are made. These factors impact the cost per adjusted discharge and the number of employees per adjusted discharge. Each hospital in the HCSD system should be compared to groups in the nation which are as closely similar as possible in order to get a sense of how well each hospital is functioning. The HCIA 2000 Sourcebook states that the median cost per adjusted discharge for "minor" teaching hospitals is \$7,058. Note that the HCIA Sourcebook reflects a standard for 1998, which was adjusted by the medical care inflation rate of 4.3%.

<sup>8</sup> Readmission is defined as total planned and unplanned readmissions for any diagnosis within 32 days.

<sup>9</sup> Readmission rates are calculated by using computerized patient billing records. These records cannot reliably determine readmission rates for same diagnosis. However, readmission for any diagnosis can be accurately obtained, which caused the readmission modification noted above. Therefore, the FY 2000-2001 performance standard is understated at 7%.

<sup>10</sup> This performance indicator did not appear under Act 11 and therefore had no performance standard for FY 2000-2001.

<sup>11</sup> HCSD is adopting a performance level that will be consistent through all facilities.

<sup>12</sup> The change in performance standard to 100% compliance reflects a change in calculations. The 100% level reflects a pass/fail approach to certification.

<sup>13</sup> Recommended budget level reflects an 11.244% across-the-board cut to accommodate a \$72,319,194 cut in UCC and \$21,752,331 shortfall in merits and inflation.

2.(KEY) To enroll at least one-third of the eligible diagnosed diabetic, asthmatic, HIV+ and high risk congestive heart failure patients in the Health Care Services Division (HCSD) system into disease management protocols.

Strategic Link: Implements strategic plan goal 1 initiatives: *To improve the effectiveness of health care delivery in the HCSD system by enhancing the preventative and primary care components.*

Children's Cabinet Link: Washington St. Tammany Regional Medical Center provides multiple services targeted at the pediatric and adolescent population. Programs, clinics, and services include a KidMed Clinic, Asthma and Diabetes Disease Management Programs, and Reach Out & Read Children's Literacy Program. The preceding list may not be all inclusive.

Explanatory Note: Eligible is defined as having the diagnosis and being compliant with the protocol. High risk congestive heart failure is characterized by admission to the hospital or emergency room with congestive heart failure in the past year.

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S	Patients with covered diseases <sup>1</sup>	Not applicable <sup>2</sup>	1,298	1,591	1,591	1,298	1,298
K	Eligible diagnosed patients enrolled	Not applicable <sup>2</sup>	1,070	531	531	1,070	803

<sup>1</sup> This indicator is critically important to measuring the system's success in implementing the disease management initiative. However, eligibility for the initiative is currently calculated differently by each medical center. An important part of the reason for the new strategic plan is to systematize the hospitals, so that comparisons and, therefore, improvements based on sharing information can occur. One step in this process is to agree on and implement a definition for eligibility for disease management. This will take place in the fiscal year and correct eligibility figures will be available for the next Operational Plan.

<sup>2</sup> This performance indicator did not appear under Act 10 of 1999 and has no performance standard for FY 1999-2000.

3. (SUPPORTING) To assess and take steps to ameliorate over utilized or non-existent services within the Washington St. Tammany catchment area.

Strategic Link: This objective reflects the incremental movement toward the achievement of the 1998-2002 Health Care Services Division Strategic Plan Goal 2: *To implement initiatives to improve coordination with other segments of the Louisiana health care delivery system.*

Explanatory Note: Catchment area is defined as the parishes from which the majority of the hospital's patients are drawn. Catchment areas are as follows: St. Tammany and Washington parishes.

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		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Percentage completion of community needs assessment for the hospital catchment area	Not applicable <sup>2</sup>	100%	100%	100%	100%	100%
S	Number of collaborative agreements signed with other health care providers <sup>1</sup>	Not applicable <sup>2</sup>	13	14	14	13	13

<sup>1</sup> Collaborative agreements have been defined as contracts, cooperative endeavors, or affiliation agreements with health care providers (i.e., hospitals, physicians, nurses, allied health providers or agencies) or health-related entities (i.e., schools, state agencies) outside the HCSD system. Providers holding multiple contracts are counted only once.

<sup>2</sup> This performance indicator did not appear under Act 10 of 1999 and therefore has no performance standard for FY 1999-2000.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$88,025	\$88,025	\$88,025	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	12,243,270	11,523,648	11,761,748	12,241,727	10,246,356	(1,515,392)
Fees & Self-gen. Revenues	659,388	659,388	659,388	659,388	659,388	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	2,393,263	2,393,263	2,393,263	2,393,263	2,393,263	0
TOTAL MEANS OF FINANCING	<u><u>\$15,295,921</u></u>	<u><u>\$14,576,299</u></u>	<u><u>\$14,902,424</u></u>	<u><u>\$15,382,403</u></u>	<u><u>\$13,387,032</u></u>	<u><u>(\$1,515,392)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$7,643,387	\$7,365,571	\$7,641,075	\$7,859,504	\$6,983,763	(\$657,312)
Other Compensation	223,751	20,000	179,860	179,860	152,083	(27,777)
Related Benefits	1,278,989	1,244,405	1,291,052	1,334,961	1,219,512	(71,540)
Total Operating Expenses	2,949,247	1,931,639	2,509,313	2,629,455	1,800,608	(708,705)
Professional Services	1,504,656	1,550,697	1,416,200	1,462,721	1,332,867	(83,333)
Total Other Charges	1,692,171	2,311,987	1,712,924	1,755,302	1,737,599	24,675
Total Acq. & Major Repairs	3,720	152,000	152,000	160,600	160,600	8,600
TOTAL EXPENDITURES AND REQUEST	<u><u>\$15,295,921</u></u>	<u><u>\$14,576,299</u></u>	<u><u>\$14,902,424</u></u>	<u><u>\$15,382,403</u></u>	<u><u>\$13,387,032</u></u>	<u><u>(\$1,515,392)</u></u>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	200	200	206	206	181	(25)
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>200</u></u>	<u><u>200</u></u>	<u><u>206</u></u>	<u><u>206</u></u>	<u><u>181</u></u>	<u><u>(25)</u></u>

## SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Fees & Self-generated Revenue and Federal Funds. The General Fund represents funding for the dispensing of various outpatient medications which are not reimbursable costs from the Medicaid program. The Interagency Transfers represent Title XIX reimbursement from the Medical Vendor Payments program for services provided to Medicaid eligible and "free care" patients. The Self-generated Revenue represents insurance and self pay revenues for services provided to patients who are not eligible for "free care". The Federal Funds are derived from Title XVIII, Medicare payments for services provided to Medicare eligible patients.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$0</b>	<b>\$14,576,299</b>	<b>200</b>	<b>ACT 11 FISCAL YEAR 2000-2001</b>
			<b>BA-7 TRANSACTIONS:</b>
\$88,025	\$326,125	6	BA-7 # 216 approved for the distribution of Disease Management funds and positions
<b>\$88,025</b>	<b>\$14,902,424</b>	<b>206</b>	<b>EXISTING OPERATING BUDGET – December 15, 2000</b>
\$0	\$130,421	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$133,030	0	Classified State Employees Merit Increases for FY 2001 -2002
\$0	(\$50,796)	0	Risk Management Adjustment
\$0	\$160,600	0	Acquisitions & Major Repairs
\$0	(\$152,000)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$872	0	Legislative Auditor Fees
\$0	(\$78,344)	0	Salary Base Adjustment
\$0	(\$147,937)	(5)	Attrition Adjustment
\$0	(\$377,130)	(11)	Personnel Reductions
\$0	(\$37,170)	0	Salary Funding from Other Line Items
\$0	(\$925,927)	(9)	Other Adjustments - Pro-rata reduction in Uncompensated Care by 9%
\$0	(\$171,011)	0	Other Adjustments - Reduction in Uncompensated Care funding for Operating Expenses
<b>\$88,025</b>	<b>\$13,387,032</b>	<b>181</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$88,025</b>	<b>\$13,387,032</b>	<b>181</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$88,025</b>	<b>\$13,387,032</b>	<b>181</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 89.8% of the existing operating budget. It represents 71.6% of the total request (\$18,689,390) for this program. The overall decrease is a result of Target Dollar cuts to Uncompensated Care, and personnel reductions.

## PROFESSIONAL SERVICES

\$102,000	Jayagopal Appurao, MD for general surgery services
\$36,300	Vijaya Jayacaopal, MD for Anesthesiology services
\$150,000	Mitchell Massey, MD for Radiology services
\$20,000	Northshore EEG for electroencephalograph services
\$40,000	Parish Physical Therapy for Physical, Occupational, and Speech Therapy
\$40,000	Allen R. Singleton, MD for OB/GYN services
\$26,000	Urologic Surgery Association for Urology services
\$700,067	C & M Medical Services for emergency room physician services
\$41,500	Surgical Eye for Ophthalmology services
\$177,000	Heart and Vascular Clinic, APMC for Cardiology services
<b>\$1,332,867</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

## OTHER CHARGES

\$10,719	Legislative Auditor expenses
\$289,088	Funding for Disease Management initiatives
<b>\$299,807</b>	<b>SUB-TOTAL OTHER CHARGES</b>
<b>Interagency Transfers:</b>	
\$1,371,894	Payments to Office of Mental Health for operation and management of the acute psychiatric unit
\$45,700	Payments to LSU Medical Center for Pathology services
\$18,589	Payments to the Office of Civil Service
\$1,609	Payments for Comprehensive Public Training Program
<b>\$1,437,792</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$1,737,599</b>	<b>TOTAL OTHER CHARGES</b>



## ACQUISITIONS AND MAJOR REPAIRS

\$160,600 Funding for the replacement of inoperable or obsolete equipment

**\$160,600 TOTAL ACQUISITIONS AND MAJOR REPAIRS**